(c) whether it is also a fact that the various trusts related to the Nizam of Hyderabad are being reflected by Government trustees;

(d) what punitive action will Government initiate against officials who reflect their duties as trustees or ultimately ignore public interest; and

(e) the steps proposed to review such roles of officials on Nizam trusts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) Information is being collected and shall be laid on the table of the House.

Effect of double digit interest on infrastructure projects

764. SHRI VIJAY. J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that a double digit interest rate may affect the viability of infrastructure projects where the gestation period is comparatively long;

(b) if so, how the infrastructure projects are going to be funded as commercial banks generally lend for only between three to five years while infrastructure needs long term funds; and

(c) whether Government would resort to external capital borrowing on large scale in infrastructure and similar other important sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir, if the prime lending rates are very high then naturally the interest rates on loans for riskier and long gestation infrastructure projects would be much higher. This may indeed affect the viability of infrastructure projects.

(b) Government has already established India Infrastructure Finance Company Limited to take care of the long term loan requirement of infrastructure projects. Government is also encouraging the creation of infrastructure funds to cater to the long term finance needs of infrastructure projects. One such fund has been established under the Finance Ministry's initiative involving Citigroup, Blackstone, IDFC and IIFCL.

(c) Large scale external capital borrowings cannot be resorted to due to the overriding macroeconomic concerns of the Government but Government is examining the proposal of having a more liberal ECB regime especially for infrastructure.

Foreign exchange reserve in the country

765. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the total foreign exchange reserve in the country;

(b) the names of the countries whose currency is available in the foreign exchange reserve of the country;

(c) the amount invested by Reserve Bank of India out of the said reserve during the last three years; and

(d) the impact on the prices of commodities consequent upon not utilizing the said reserve for productive work?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The foreign exchange reserve (including Gold, Special Drawing Rights and Reserve Tranche Position in the IMF) of the country, which stood at US $ 199.18 billion as on March 31,2007, rose to a level of US $ 270.18 billion.

(b) The reserves are held in all major international currencies like US $, Euro, Pound, Yen, etc.

(c) India's entire foreign exchange reserves are invested by Reserve Bank of India in multicurrency, multimarket portfolios.

(d) Since the forex reserves are invested outside the country, there is no direct impact on the prices of commodities.

Sixth Pay Commission

†766. SHRI RAMDAS AGARWAL:
SHRI SURENDRA LATH:
SHRI JANARDHANA POOJARY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has received the recommendations of the report or the Sixth Pay Commission meant for the Central Government employees;

(b) if so, by when Government is likely to implement these recommendations;

(c) what would be the impact of the recommendations of this Pay Commission on the exchequer of the country; and

(d) the manner in which Government would arrange the excess amount to be incurred on it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) to (d) Do not arise, as the recommendations have not been received.

Recommendations of SEBI and RBI on participatory notes

767. SHRI P.R. RAJ AN: Will the Minister of FINANCE be pleased to state:

(a) whether the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) has given any recommendation to Government on the Participatory Notes;

(b) if so, the details thereof, and

(c) whether Government is planning any regulation in the issuing of Participatory Notes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.

(b) and (c) In consultation with the Government and RBI, the Securities and Exchange Board of India (SEBI) has, in order to regulate issuance of Participatory notes (PNs) with Indian underlying securities, has approved the following measures in the meeting of its Board held on 25* October, 2007:

1. FIIs and their sub-accounts shall not issue/renew Offshore Derivative Instruments (ODIs) with underlying as derivatives with immediate effect. They are required to

†Original notice of the question was received in Hindi.